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FABIAN

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SOCIETY

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FABIAN RESEARCH

Quarterly Report

The new executive has now met, new committees have been set up, and a new year's work has been begun. Last year saw the successful completion of a number of major programmes of research, coupled with a good deal of minor, though often important, work. In spite of the war nearly all our plans went through without serious hitch; since the outbreak of war we have published seven tracts, seven pamphlets and three books, besides the 1939 Autumn lectures which were also published in book form. In all this we have received generous voluntary help from a very large number of members of the Society; we hope they will continue to suggest subjects for work, to submit memoranda and to help in office and research work.

The present programme of research is concentrated largely on problems of domestic reconstruction during wartime; the wide issues of foreign policy have not been lost sight of, but, for the time being, the work of the international section is concentrated on the large scale research into the social and economic development of Africa.

FOOD POLICY

Before the war a great deal of work had been done on this subject, culminating in the publication of Charles Smith's book *Britain's Food Supplies in Peace and War*. A new committee has now been set up to study the problems of wartime food supply, and to make policy recommendations. Memoranda have already been prepared on Nutrition and Wartime Food Policy, Allotments and Allotment Policy, The Nutritional Aspect of Vegetable Growing, The Rationalization of Milk Distribution, and Communal Feeding in Schools. The first three of these have been considered by the committee, and revised final versions are now being prepared. Work is in hand on Bread Distribution, The Central Slaughtering Scheme, and Import Policy.

SOCIAL SERVICES

The reconstruction of the social services during wartime is now a possibility, and may become a necessity. Work is going forward in preparing Socialist proposals. The old controversy on family allowances, on which there is still friendly disagreement inside the labour movement, has been brought to the fore, and two memoranda prepared on this subject for the Society are summarised in an article in this *Quarterly*. A memorandum on Workmen's Compensation and Social Services after the War, which pleads for the establishment of workmen's compensation as a full social service (as opposed to the present complex of legal arrangements) and for the establishment of a coordinated social services under a rational social security code, has been circulated to a number of members for expert comment.

Besides these the work on Means Tests in Social Services is also continuing, and a synopsis has been prepared. The detailed survey of facts involved in this is proving a lengthy business, as it is not easy in present conditions to get hold of the scales laid down by local authorities in assessing means tests for such services as cheap and free milk, special places in schools, provision of municipal midwives, admission to local authorities' hospitals and so on. Any members who would care to assist in this by collecting their local scales are asked to communicate with the research secretary.

A report is also being prepared on Industrial Welfare, with special reference to canteen and community services for women munition workers.

EDUCATION

Just before the war rapid advances in education seemed imminent. The raising of the school leaving age was to have come into operation, the Select Committee of Estimates had recommended a revision of administrative areas, and the Spens Report was in process of digestion. Instead of all this came amazing dislocation. Plans are now made for research into a wartime programme of educational reform. A synopsis is being drawn up and preliminary memoranda have already been prepared on the general problem and on the reform of the Public Schools and on Apprenticeship.

MISCELLANEOUS

Publications in hand include *Army Education* by Thomas Stevens and *France Faces Fascism* by D M W P. A draft for a proposed pamphlet on the problem of Irish Partition is completed and is in the hands of readers. Professor Levy's investigation into price rings and trade associations is proceeding, and preliminary drafts of two chapters are completed.

The General Secretary will be glad to supply further information on the research and general activities of the Society to anyone applying to the Fabian Society, 11 Dartmouth Street, S W 1 (WHItehall 3077-8). Correspondence regarding the *Quarterly* should be sent to the Editor, H. D. Hughes, at the same address.

R. J. P.

FAMILY ALLOWANCES IN WARTIME

Fabius

1 An Intensified Need

Labour's official policy, as expressed in the Report of the Llandudno Conference of 1930, is in favour of 'a cash payment for each child for the first year or two years after birth', together with various amplifications of the social services, including 'the raising of the school leaving age, with adequate maintenance allowances during the additional year'. Some of the additions to the social services mentioned in that Report have since been achieved, others are out of question during wartime. At the same Conference which framed this policy, the majority report of a committee of enquiry recommending the adoption of a full scheme of family allowances was not adopted. Since then various developments of the social services, the increase in our knowledge of the association of large families with poverty and, above all, the steady increase in the cost of living occasioned by paying for the war have completely changed the situation. It is necessary at least to reopen the argument.

CHILD POVERTY

It is well known that much of the poverty still unrelieved is child poverty. One example will suffice. In a survey of Bristol in 1937 it was discovered that, of the families below the poverty standard laid down for the enquiry, 76% contained three or more dependent children; on the other hand, of the families entirely above the poverty standard, only 5½% contained three or more children. Speaking of this state of affairs in the report on this survey, Mr H. Tout said:

If any form of remedy could be devised to raise to a higher level those families which contain three or more children and fall below the line, a great part of the problem would be solved. Not all the children would be brought above the standard, but most would.¹

Since the survey quoted above was published in the summer of 1938 the cost of living has risen by over 20% and is still rising. The families where poverty is associated with a number of dependent children are of necessity the greatest sufferers. In many cases their income is low because it is derived from the unorganised trades, whose wages are the slowest to respond to altered values of money, or from social service grants which, though they have been raised, are still often inadequate. In all cases their expendi-

¹ Report of the Bristol Survey 1938, p. 39.

ture is greatest on those necessary commodities where the increase is most telling.

The trouble is that wages, too, are not adequate as a means to maintain a minimum standard of living. In the first place they are not based on needs, but are determined by the strategic bargaining power of the workers' organisations. They are not related to family obligations of wage earners, and there is little or no uniformity between the earnings of one class of wage earners and another (*The Economist*, 6 July 1940).

EXISTING SERVICES

To some extent the position can be met, and is beginning to be met, by communal feeding, cheap milk schemes and the like. But any very great extension of these would involve the need for buildings and equipment whose provision is an almost inescapable difficulty in wartime. There is another objection too in that such schemes are more vulnerable to the dislocation resulting from air attack than the isolated and individual endeavours of private homes. Already difficulty has been experienced in continuing school milk schemes during the holidays, and the education authorities of large towns are faced with the problem which will arise when, if air raids develop further, the schools, even in areas where they are still functioning, will be closed.

In the services already in existence giving cash grants to their beneficiaries, there is always provision for payment for dependent children according to need. In wartime the principle has been extended to cover the dependents of serving soldiers and, more recently, of trainees for industry. At present, however, there is a complete lack of coordination among the different scales. A summary of the most important will suffice :

Unemployment Benefit ...	...	4/- for 1st and 2nd child, 3/- for 3rd and subsequent.
Widows' Pensions...	...	5/- for the 1st child, 3/- for each subsequent.
Unemployment Assistance ...	...	5/- each for children aged 11-14.
		4/6 " " 8-11.
		4/- " " 5- 8.
		3/6 " " Under 5.
Serving soldiers' dependants ...	...	5/- for 1st child, 4/- for 2nd child, 3/- for 3rd and subsequent.
Trainees' dependants ...	...	4/- each for 1st and 2nd child, 3/- for 3rd and subsequent.

In addition to these, the scales of Public Assistance, which is administered by the Counties and County Boroughs, vary from authority to authority.

A UNIFORM SCALE

Clearly the first and most important step in alleviating family poverty could well be taken by raising all these confusing and unrelated scales to a single generous scale for all dependent children in respect of whom any cash payment is made. There can be

no rational case in ethics, physiology or commonsense for regarding the second child of a pensioned widow as cheaper to rear than the second child of a grass-widowed trainee.

It is suggested that these scales should all be raised to a flat rate of 5/- per child. This would involve an increase in the cost to the State (which should pay the increase without adding to the sums paid by contributors in the insurance services) of, roughly, the following :

Unemployment Benefit	...	...	...	32%
Widows' Pensions	...	...	...	24%
Unemployment Assistance	...	...	...	21%
Soldiers' Dependants	...	...	...	16%
Trainees' Dependants	...	...	...	32%

The case for decreasing the sum received with second or subsequent children is only partly justifiable on the diminishing costs of large families that result from savings on rent, fuel, light and clothes. In almost all cases these savings are being made on a level of existence already dangerously near the poverty line ; here again the increasing cost of living throws the problem more acutely into relief. There are two other arguments put forward in favour of these regressive scales. The first is that it is desirable to discourage persons on relief from having large families. With this we need not concern ourselves here ; it is hardly deserving of serious treatment. The final, and administratively the most real argument is that to increase dependents' benefits to a generous rate will upset the arrangements for the wages stop, i.e. that unemployed men with large families will receive more than they would if they were at work. This argument cannot, of course, refer to soldiers' or trainees' dependants. In the other services its use is a criticism of the principle of assessing relief on needs, yet imposing on that a wages stop founded on earnings which, as we have pointed out above, are in no way necessarily related to needs.

2 A Practical Scheme

The whole problem of wage increases and social service payments is summed up in a single sentence from the *Economist* article quoted above : ' The simple fact is that the burden of increases in the cost of living depends almost entirely on the size of the family.' This fact cannot be reiterated too often. Once it is fully appreciated the conclusion is inescapable. First, as has been indicated above, social service payments must be generously increased. Second, to meet the problem of the children everywhere, some form of family allowance scheme, payable by the State, to the mother of the family (and therefore payable as a social service, entirely dissociated from the wage-rate structure) must be introduced. In soldiers' and trainees' allowances, in pressing for maintenance grants for school children, we have already

conceded the principle. The problems of a war which is being financed by inflation and a rising cost of living make it essential we should carry the principle further. In the notes which follow some indication is given of the administrative and financial realities of a practicable family allowance scheme which could be added as a universal backing to increased social service payments.

ADMINISTRATION

(1) It is to be assumed that the only type of scheme which can be adopted in wartime is one in which the State pays the whole cost, by drafts on the Post Office (after the manner of billeting allowances) or some similar simple method. Schemes organised on an industrial basis cannot cover the whole population in need; and there is neither the time nor the administrative effort available to develop a contributory scheme—quite apart from other objections.

(2) The provision, adopted in the New Zealand scheme, whereby the allowance is normally paid to the mother, should be kept. In special circumstances, of course, it will be necessary that 'payment should be made to the father or to some other person for the benefit of the children'.¹ These circumstances should be statutorily defined and administered by some body or bodies set up for the purpose. If the strategic necessity for decentralisation involves vesting these powers in local or regional authorities they should be under the control of the central government and not of the local authorities. They should *not* be entrusted to the P A C's, who are associated with social shame in the minds of a large proportion of the working class.

(3) Registration for receipt of a family allowance could probably best be done by application through the Post Office (preferably to the Labour Exchange) to the Assistance Board. The provision of family allowances is very similar to the work now being done by the A B in granting supplementary pensions. The Board's investigating officers could, with additional help, be entrusted with the job of checking applications; this task would probably be made easier by access to the National Registration local registers and by collaboration with the L E A's² Education Enquiry Officers. If the Board's investigating officers are given the job of determining exceptions in (2) above, there should be some form of appeal.

(4) It is desirable that family allowances should be available at least to all persons with an income of less than £250 per annum. This could probably be arranged by taking all persons insured for health insurance (i.e. all persons employed under a contract of service or apprenticeship, except domestic servants, permanent employees under public or local authorities, railway or public

¹ The New Zealand Social Security Act 1938

² Local Education Authority.

utility companies and non-manual workers earning over £250 per annum) and making special arrangements for the ineligible persons. An alternative, and more liberal, scheme would be to exclude all persons not paying income tax (though this is subject to no changes being made in the basis of income tax). This would involve, roughly, all persons earning under £300-£350 per annum for a scheme covering second and subsequent children, or all persons earning under £350-£400 per annum for a scheme covering third and subsequent children.

(5) Whichever scheme be adopted under (4), only the father's and mother's joint income should be counted and there should be no other means test.

(6) Allowances should be made to children under 15. The body administering the scheme should continue giving the allowance in all cases where one of the children passes the age of 15 but lives at home and continues in attendance at a recognised educational institution. Stepchildren and children adopted previous to application for the family allowance should be counted as children for the receipt of the allowance.

COST

The full information necessary to estimate the cost of any family allowance scheme is not available to the public; working on the basis of figures prepared by Mr F. Lafitte for the Family Endowment Society, it is possible to give rough estimates.

(1) An allowance of less than 5/- per week would not, in all probability, at present prices, alleviate the section of poverty for which family allowances are designed. It seems likely that at the present increasing cost of living 6/- per week should be allowed for. The allowances should be per child for (at least) third and subsequent children. An alternative scheme for second and subsequent children is given, but this is more expensive.

(2) The best figures are those in Lafitte's estimate for children belonging to families in the Registrar-General's 'working classes' for 1937.¹ This does not coincide exactly with the basis of eligibility suggested above, and it is safest to assume that these estimates are on the low side. From these figures the gross cost of the allowances would be as follows:

GROSS COST IN £ MILLIONS TO THE NEAREST £500,000				
	<i>Second plus</i>		<i>Third plus</i>	
	<i>At 5s.</i>	<i>At 6s.</i>	<i>At 5s.</i>	<i>At 6s.</i>
England and Wales	47·5	57·0	20·5	24·5
Scotland	6·5	8·0	3·0	3·5
	54·0	65·0	23·5	28·0

This assumes a distribution of children giving third and subsequent children to be 21% of the total.

(3) From this figure certain deductions may be made to allow for savings on schemes already in existence. These principally involve: Ordinary Pensions, Unemployment Benefit, Unemployment Assistance, Soldiers' dependants' allowances, and the family allowances to be paid under the Workmen's Compensation (Supplementary Allowances) Act.

Allowing for this, we get the following net cost:

APPROXIMATE NET COST IN £ MILLIONS

	Second plus		Third plus	
	5s.	6s.	5s.	6s.
Approximate Saving on				
U A B	3·6	3·6	1·6	1·6
Ordinary Pensions ...	·9	·9	·5	·5
Unemployment Benefit...	1·7	1·7	·75	·75
Total Saving	6·2	6·2	2·85	2·85
Gross Cost of Allowances ...	54·0	65·0	23·5	28·0
Net Cost of Allowances ...	47·8	58·8	20·65	25·15

The saving from the other services mentioned cannot satisfactorily be calculated, even as roughly as the above figures. There is, however, one other wartime payment made in respect of children which can be taken into account. There are, at present, at least 350,000 children in the country who have been evacuated and for whom billeting allowances are being paid. There would of course be no need to pay family allowances in respect of these and the temporary wartime saving would amount to about £1 million on a scheme beginning with the second child, or about £460,000 beginning with the third child at the rate of 5/- each. On the other side of the balance a sum must be added to the net cost of allowances dealt with above for administrative expenses. All in all, however, it seems reasonable to think of the third child scheme in terms of £20 million a year at a 5/- rate of allowance, or £25 million at 6/-.

Seen against the astronomers' arithmetic of war finance the sums involved are insignificant. The controversy is outside the realm of 'can we afford it?' It can only be considered in terms of whether it meets a social need whose existence is not in question. Before a decision can be reached it is necessary that far more discussion should take place on the whole problem of coordinating our social services. Whether family allowances should have their place in this coordination is for the labour movement to decide.

¹ This includes the great mass of manual wage workers and most non-professional black-coated workers and some self-employed groups (cobblers, etc.) See E. F. Rathbone: *The Case for the Immediate Introduction of Family Allowances*.

THE ECONOMIC FRONT

(*A Symposium based on lectures delivered to the
Fabian Summer School*)

1 PRIVATE ENTERPRISE AND STATE CONTROL

Ernest Davies

In his attack on the Chamberlain Government, 'Cato' in *Guilty Men* opens with the epic of Dunkirk and effectively quotes statements made by the forces regarding lack of equipment. For the retreat to Dunkirk successive Conservative Governments from 1931 on are partly responsible; they are to blame for the fact that the B E F was sent out to France with equipment inferior in quality and quantity to that of the enemy. Were this due to incompetence or lack of time for preparation it might be excusable, but because it was the result of a deliberate policy of selfish class-government it is not.

The record of the Chamberlain Government, and, for that matter, of the Baldwin Government which preceded it, is one of self-interested legislation and administration. To the same extent as the foreign policy of the Government was guided by its belief in the preservation of capitalism at all costs, so the organisation of war production at home was governed by the wish to maintain the capitalist system. The Chamberlain Government, consciously or otherwise, protected this system, and where the interests of the country and the propertied class clashed it was the latter's which were safeguarded. This policy resulted in the failure to equip our forces. It took a heavy toll from the community, put up the cost of armaments, weakened our competitive power overseas, and left unemployment at a high level. Above all, the Government failed to make full use of the industrial ability of the nation, refused to plan production, to control prices or to limit profits to the necessary extent. The effective mobilisation of the nation in the pre-war days of armed peace was never achieved: on the contrary, production was restricted through tariffs, high prices, and the refusal to exercise compulsory powers in the organisation of industry. Typical of this policy was the refusal to set up a Ministry of Supply when rearmament was started. When such a Ministry was created, its powers were severely limited, and the Minister put in charge assured private enterprise that it need not be afraid.

The policy which had left the country largely unprepared in September 1939 was carried over when war came. True, the

Emergency Powers Act gave vast powers to the Government to organise production through the control of raw materials and industry. This control was not exercised to the full and, where it was operated, it was so used that private enterprise still had nothing to fear. There was no attempt made to mobilise the nation for the supreme war effort, nor to catch up in production so that the total effort of Germany could be equalled and ultimately surpassed. All remember those first few months of the war, when men and women were crying out for work of national importance and it was unobtainable. Unfortunately, the static warfare of the first nine months enabled our weaknesses to be disguised and to remain unrevealed. The smug complacency of some politicians and of the War Office itself did not help matters. Only when total war fully developed did these cracks in our armour become visible, and then it was abundantly clear that a vast change was needed. Without this change collapse might have come here as it did in France, and it may be there were some who wanted it.

CONTROL OF INDUSTRY, BY INDUSTRY . . .

Before this situation was revealed, however, a form of control had been introduced, and the deficiencies lay more in the nature of the control than in the lack of it. Control of commodities, for instance, was complete, British trade in most of them being taken over by the Ministry concerned: thus the Ministry of Food took over all British stocks and supplies of sugar and tea, all types of cereals, and superseded the Potato Marketing Board; it took over large stocks of many other commodities, and fixed maximum prices; in the same way, the total output of copper and other metals was purchased at reasonable prices.

Controls were established by the Government for and on behalf of the various industries. There was self-government of industry of a perverted nature for war purposes; it was control by producers themselves, and generally in fact by the biggest producers, who already controlled the industry. The State, the consumer and labour were left out. Secrecy surrounded the controls, and still does in some instances, but from the beginning they have for the most part consisted of heads of combines. This had many dangers: in the first place, it was a departure from the principle that no man should be judge in his own cause; obviously such controllers must, even if unconsciously, sometimes operate the control in the way most favourable to their particular section of the industry. The small man inevitably suffers. Secondly, the possibility of divided loyalties arises. When it comes to a choice between the country's interest and that of the industry, it is difficult for an interested party to act without prejudice. Wartime needs may require action which may be unpalatable to industry; it may be necessary to close down certain sections or to extend others economically for the post-war period, or it may be necessary

to divert trade from one plant to another. For the large controllers of industry to take an impartial view in such circumstances is difficult. Divided loyalties arise, particularly where the controller is not full-time and still maintains his interest in the industry concerned. It is asking too much in such circumstances for an industrialist to break away from loyalties of a lifetime for the war period.

To illustrate the personnel of the controls a few instances are given. Typical is the aluminium control, which is in the hands of a Director of the British Aluminium Company, which has the practical monopoly of aluminium manufacture in this country. The paper controller is the Chairman and Managing Director of large paper companies, while the Petroleum Board is composed of members of the boards of the large oil companies; its Chairman is the Managing Director of one of the largest oil combines in the country, and its Deputy Chairman, Managing Director of another large oil company; its other members consist of the Deputy-Chairman of an oil company in which the Government is interested, the Vice-President of another concern and Managing Directors of three others. The Petroleum Board was formed by agreement between the four largest producers and distributors, but was later enlarged to represent the whole petroleum industry. It is a voluntary organisation which pools stocks and storage, eliminates brands etc, and its relations with the Government largely concern price-fixing. It is advice on prices, control of imports and distribution of available supplies that is the main work of all controls. Here is the opportunity for industry to be judge in its own cause.

CONTROL OF CONTROLLERS

The selection of the most suitable controllers for industry in wartime is a difficult problem. On the face of it, the big industrialist is in the best position to control industry. He is fully acquainted with its organisation and potentialities while the non-expert would continuously be up against technical problems. But if the expert is to control industry, he must become, as far as is practicable, a disinterested party. He cannot do so unless his direct responsibility to the State is fixed. Until this loyalty is established the interests of the industry must, in the majority of cases, prevail. If the expert is to be employed as controller, therefore, it is necessary for the war period to separate him from his peacetime connections and to make him a full-time Government servant. It would be for him to decide whether he were willing to serve in this capacity or not; but unless he is prepared to accept the full implications of the new position he should not be given the final word. The industrialist, if controller, must either become directly answerable to the State in this way or be subject to a large measure of control. The former would be the more efficient.

The Chamberlain Government failed to achieve maximum production because of its fear of treading on the toes of private enterprise and because of the nature of the controls which it established. Industry continued to be organised in its piecemeal compartments, and while general control existed in theory, no large-scale planning was possible. It was impossible to cut down the barriers between one industry and another, and between different sections of an industry. The bottle-necks remained. As long as this state of affairs existed the country was bound to fall short in its war effort and to lag behind rivals organised for total war. Perhaps some such show-down as the retreat through Flanders was inevitable. The position cannot be better summed up than in the words of the *Economist* of 15 June 1940:

Nevertheless, when the war broke out and it became obvious to all but the purblind that maximum production had become the one object that superseded all others, this anti-productive system was carried to its highest point. The noble army of controllers was recruited from organised industry; the rings, from being tolerated, became endowed with all the power of the State. The result has been what could have been, and was, predicted—not so much an unfair advantage to certain private pockets as a sluggish tempo of advance and a low limit to what was considered possible. British industry, by and large, has, until recent weeks, been making the maximum effort compatible with no disturbance to its customs now or to its profit-making capacity hereafter. There is no accusation of unpatriotism in this; on the contrary, business men, placed in an impossible position of divided loyalties and contradictory intentions, have done their best. But the result has been what we see—a startling inadequacy of production. What was formerly prophecy is now fact: the men who run the existing organisations of their industries have not been the best men to organise their industries for war. The best of them have been only partial successes; the worst have been failures. Both in tanks and in aircraft (to take only the two outstanding cases) the existing rings have failed to produce the goods and, nine months too late, outsiders have had to be brought in.

I do not deal with the most flagrant instance of surrender to capitalists—the financial agreement with the Railway Companies—as I have attacked that elsewhere.¹ The Shipping agreement, whereby ships are operated on Government account at a margin of profit allowed, is fairness itself in comparison.

The method of control in existence when the change of Government took place was not alone responsible for the slow tempo of industry. War conditions plus concessions to win trade union support had affected the profitability of industry. The Excess Profits Tax, increased income tax, proposed maximum dividends, maximum prices, increased costs, restricted export markets, all affected some industries or units within each industry, particularly the smaller firms. In many cases it was unprofitable for them to play their full part through maximum production or through expansion in the war effort. To do so might have reduced their profitability and have meant making sacrifices. In some industries, therefore, the incentive to produce was lacking. There was neither

¹ *The State and the Railways* by Ernest Davies. (Fabian Research Series No. 51, 6d.)

complete independence, which capitalism requires to function most effectively, nor the complete control essential to ensure maximum production.

APPEAL TO LABOUR

Another factor was the lack of enthusiasm of workers in industry, inevitable as long as they saw a failure to mobilise industry for war purposes. This was not due to any lack of support for the war itself, but to the lack of drive in Government policy and its failure to call upon capitalism to make sacrifices. During the Chamberlain régime it would have been impossible to call upon the workers to make the sacrifices they subsequently made. Without the workers' support, full production could not be achieved. With the change of Government the situation was altered. Labour became dominant on the home front, and when sweeping powers were taken to control industry it was certain that they would have Labour support and that the Trade Unions would throw their whole weight into productive effort. Look at the key points made by Mr Attlee in his speech when introducing the new Emergency Powers Act :

... the Government are convinced that now is the time to mobilise to the full the whole resources of the nation ... private enterprise must give way to the urgent needs of the community ... necessary that the Government be given complete control over persons and property, not just some persons of some particular class of the community, but over all persons, rich and poor, employer and worker, man or woman, and all property.

Sweeping powers of control over labour were taken as well as over property. Mr Attlee said that some establishments were to be controlled right away and others later. They would work on the Government's account, with wages and profits under Government control. E P D was to be raised to 100%. '... No profit out of the national emergency,' he declared, and added that establishments might have to be ordered to carry on at a loss. This new spirit introduced with the change of Government, combined with the obvious need to speed up production following the loss of equipment in France, reflected the feeling of the country. The drive of Mr Ernest Bevin at the Ministry of Labour, of Mr Herbert Morrison at the Ministry of Supply and of Lord Beaverbrook as Minister for Aircraft Production, carried the workers forward to heights of production never before reached. But in the same way as the workers' effort could not be maintained at fever pitch, so the obstacles inherent to maximum production in the capitalist system could not immediately be swept aside. The unorthodox cutting of red tape and the ruthless sweeping aside of obstructions was typical of the administration of Lord Beaverbrook and Ernest Bevin. Herbert Morrison's difficulties were greater—labour was more amenable to Bevin than capital to Morrison. The controls referred to above remained.

THE NEXT STEP

Control from the centre may have been extended and the control of the controllers increased. But until there has been a complete overhaul of these controls and a transition from this bastard form of self-government of industry to control of industry by those directly responsible to the Government, it is doubtful whether complete mobilisation of production can be effected. Unfortunately the rhetoric of Mr Attlee, which reflected the spirit of the nation in the days following Dunkirk, has not yet been fully or sufficiently converted into action. The new emergency powers may have been used more to control labour than they have to control property. The revolution in our production which looked possible at the beginning of June has not yet come about, even if quantitative miracles of production have been achieved. This revolution is as important to the post-war epoch as to the present. The powers which the Government has to control production should be exercised now to organise industry on a basis which will serve not only to achieve the most efficient output of our wartime needs but will also provide the foundation of a new social and economic order when the war is over.

2 PROBLEMS OF INDUSTRIAL MOBILISATION

Jim Griffiths M P

As the Prime Minister has said, this is everybody's war. It is a war in which the whole resources of the warring nations are thrown into the conflict. It is a war in which the whole of industry becomes an arsenal—and in which 'the workmen are soldiers'. Every field, mine, factory and workshop becomes an essential part of the war machine. The whole of the nation's resources, in men and material, have to be mobilised and organised for the life and death struggle in which we are engaged. If we are to stem, and then to overcome and defeat the powers against us, the nation must be organised for the task. And this involves the mobilisation of the whole of our industrial resources—plant, equipment and man power. 'War of this kind,' said Arthur Greenwood the other day in the House, 'calls for economic organisation on a scale unknown in the past.' It is to a consideration of some of the problems involved in this task that this article is devoted.

THE NEED FOR AN ECONOMIC STRATEGY

To wage war without working out a strategy—and preparing plans to implement that strategy—is to court disaster. We should treat Generals who attempted that as dangerous incompetents or something worse. In this war it is clearly as necessary to have an economic strategy as it is a military. What is our industrial

army to do? What part has it to play in the struggle? How is it to be organised to play that part efficiently? All this must be thought out and worked into a pattern upon which the organisation of industry for war will be built. This means that we have to plan our economic and industrial life on a national scale—and for national ends. The national ends which have to be achieved can, I think, be summarised in the following terms:

- 1 The organisation of all the available plant and labour to produce the munitions that are required. And in so far as the existing plant and man-power are inadequate, to provide new plant and to train labour for the task.
- 2 To produce at home in so far as is possible, and practicable, all the things required to maintain our people—all the necessities of life. And to the extent that this is not possible at home, to buy and bring into the country our additional requirements.
- 3 In order that we may be able to purchase those requirements we cannot produce at home—and to do so in ways that will keep the nation solvent—we must maintain as much of our export trade as we can.

Those are the national ends that must be served. The first problem that has to be solved is: What proportion of our industrial resources is to be devoted to each of these three; who is to do this allocation and how is it to be done?

It is clear at once that it is only the Government that can take the necessary decisions. And this brings us up against the most formidable and fundamental problem that has to be tackled. Britain's economic and industrial organisation is based on private ownership and is driven by the motive power of private profit. The owner of a factory is not, of necessity or primarily, concerned with the organisation of the nation's resources. His main concern is to work his place so as to produce as much profit as he can. If we are to work out a general economic plan his factory will have to be fitted into it. It may be that the goods he has been producing are not now essential to the national effort. His factory will, therefore, have to be adapted to other uses. It may be that, even if his factory has been producing some essential commodity, his equipment or methods are antiquated or inefficient and wasteful. Then the factory will have to be reorganised and reequipped for its job. Simplified to one example, this is what has to be done over the whole field of industry. This is what has to be planned for the thousands of privately owned workshops in Britain. And it is clear that only the Government, armed with powers adequate to the task, can do a job of this kind. How can it be done? The traditional capitalist way of securing a change of this kind—a switch over from a peacetime to a wartime economy—is by making it worth while for the private owner to make the change

himself. That is, by offering him an inducement in the prospect of making higher profits by changing over. That is how, in the main, the change was made in the war of 1914-18. But it proved then to be wasteful and inefficient. It was not the organisation of the nation's industrial resources—it was a form of bribery at the nation's expense. And it had consequences that nearly proved calamitous—both during and after the war. For since the change from peacetime to wartime economy was left to the blind chance of profit, so the switch back was left to the same gamble. The result was the tragedy of post-war Britain, a generation of industrial chaos with millions of unemployed and depressed areas with their attendant poverty and insecurity. We cannot take that risk again. There is a second consideration. In this war in which everybody is a soldier it is essential to maintain public morale. One of the sure ways of undermining it is to permit some persons to make increased profit out of the people's anguish. For these reasons the profit-making incentive will not do this time. What is the alternative?

THE NATION MUST TAKE OVER

There is but one alternative. The nation must take over. The Government must secure complete control of its economic and industrial resources. The problem is too urgent to allow of a process of purchasing the essential industries for the State. What has to be secured is the power to control the actual production. This the Government can now do under the comprehensive powers vested in it by the Emergency Powers (Defence Act), 1940. This measure was passed through all its stages in one day. The Government have then all the power that is needed to organise the industries of the nation—property and persons—for the nation's work. How is this power being used? What is the machinery for economic planning? How is manpower being trained and mobilised for the new tasks?

THE MACHINERY FOR ECONOMIC PLANNING

The supreme control of policy, in all fields, is of course vested now in the small War Cabinet of six. It is the determining authority on all matters. Working under its authority, and subject to its control, are a series of Committees charged with special tasks. At the head comes a Coordinating Committee presided over by the Lord President of the Council (Mr. Neville Chamberlain). Its function is that of coordinating the work of all the ministerial committees dealing with economic problems. This means, in actual practice, one must presume, that all the major decisions on economic problems are made by this body. Then comes the Economic Policy Committee under the Minister without portfolio (Arthur Greenwood). Greenwood has indicated the kind of problem

with which this Committee has to deal. It decides which trades are restricted in order to release plant and labour for munition work. It decides in advance the kind of goods, and the amount, that is to be imported. It thus acts as a kind of Import Board. It also decides the major problems in connection with the export trade. And both these fields have to be related to the handling of the surplus goods in overseas countries, both within and outside the Empire, whose goods are shut off from their normal market by the operation of the blockade and economic warfare. It is clear from these examples of the kind of work it does that this Economic Policy Committee is the key body controlling our economic strategy. Upon its work will depend the success or failure of the economic effort of the nation. There is one thing upon which it can fully rely—that is the wholehearted support of the people. If it meets with obstacles it must brush them aside. If vested interests stand in the way, it must deal courageously and ruthlessly with them. Parliament has given it power over 'all property'. The greatest danger is that of half-measures. It must plan the economic life of the nation as a coherent whole in order to secure that our enormous industrial resources are used to the best advantage.

Then there is the Production Council (also under the guidance of Arthur Greenwood) composed of representatives of the Services Departments and the Ministries of Supply, Mines, Agriculture and Labour. This Council deals with the whole range of production problems—plant, equipment, labour. It has to organise the production of the goods the nation needs in a cohesive and disciplined way. It settles the difficult problem of priorities in the supply of materials and labour to the various industries. It is entrusted with the organisation of the full use of the available plant and the organisation of the labour supply. Each of the Departments prepares its programmes and then the Production Council has to shape these programmes into a coherent plan.

THE ORGANISATION OF MANPOWER

The organisation and operation of a planned economy of this nature and extent involves an organisation of manpower on a scale beyond anything ever attempted before in our history. It is impossible to realise the magnitude of this problem without a realisation of the industrial background in which it has to be solved. The whole industrial tendency in Britain in the generation between the two wars has been to shift labour from the general engineering and heavy industries to the new lighter industries, to distribution and road transport. The consequence was that when we faced the problem of the expansion of the munition industries, and in particular of such branches as aircraft production, etc., there was an acute shortage of skilled labour. It must be realised that the absorptive capacity of labour by industry hinges upon the supply

of skilled labour. The semi-skilled and unskilled workman can only be fitted into industry to the degree that key men are available. One of the most colossal failures of the old Government was its failure to realise the nature of this problem and, therefore, its failure to take any adequate steps to deal with it. One of the first tasks that confronted Ernest Bevin was to bring some order into the chaos in regard to the distribution of skilled labour. Employers were permitted to compete for the supply of skilled labour and large scale disorganisation resulted in consequence. The first step in the creation of some kind of order was the issue on June 10th of a Restriction of Engagements Order. The effect of this Order was to secure that within certain industries the engagement of labour could only be effected through the agency of the Ministry of Labour Employment Exchanges. This was coupled with the setting up of a labour supply organisation for the purpose of collecting the available skilled labour and the transfer of such labour to those workshops where it could be of greatest service to the national effort. To facilitate this, workmen who are skilled in certain specified operations have had to register at the Employment Exchanges. In this way a complete survey is available of the skilled labour in the country and it will now be possible to make the best use of that skill. But even a complete mobilisation of all the existing skilled labour still leaves a wide gap to be filled. And this led to a thorough overhauling of the system of training labour. The efforts of the old Government in this regard were pitifully inadequate. A real endeavour is now being made to cope with the problem. The facilities for training by the Ministry of Labour have been enormously expanded. The Technical Colleges and Schools have been brought within the scope of the training scheme. This is a development of the utmost importance to both the world of education and to industry. The training of men at the workshops is also being overhauled. None of these things could have been carried through without the full cooperation and collaboration of the Trade Unions. The carrying out of a vast programme of labour mobilisation of this kind has involved difficult problems of dilution, and of the transference of labour from one part of the country to another. In addition, there have been questions of wage rates and of overtime working, all of which have had to be faced and worked out in conditions of emergency. This is one side of the problem. These measures have been accompanied by others which have had for their object the welfare of the men whose services are thus mobilised for the service of the nation. The administration of the Factory Acts has been transferred from the Home Office to the Ministry of Labour. A new Factory and Welfare Department has been set up. It will work in close association with the Industrial Health Research Board and in collaboration with the organisations of the workmen and employers and with the local

authorities. Here we have the beginnings of a service that can, and should, develop into a real Welfare Service in the best meaning of that much abused word. Finally, the problem of disputes has been dealt with by the setting up of machinery for the final settlement of disputes. This machinery is not designed or intended to replace the normal machinery of collective bargaining. It only begins to function when that machinery has failed to accomplish a settlement. At that stage the new National Arbitration Tribunal will come into the picture. Its decisions are binding on all parties, so that industrial disputes will be prevented from developing into lock-outs or strikes.

CONCLUSIONS

That, in broad outline, is the machinery devised by the Government for the organisation of the nation's economic resources. In scope and purpose it is immeasurably better than anything ever attempted by the Chamberlain regime. Yet there are weaknesses that need immediate attention before it can be regarded as satisfactory. There is still too wide a gap between the closing down of old and the opening of new workshops. This is revealed in the fact that unemployment still remains at a high level. It is particularly so in the export industries which are beginning to feel the effects of the closing of their normal European markets. Indeed, the fall in our export trade, amounting to a fall of 30% in value, between April and July of this year, creates a problem the magnitude of which is not fully realised. There will have to be a real national drive to win new export markets. And this too can only be accomplished by Government action and assistance.

Finally, there is what seems to me to be the greatest weakness of all. And that is the almost complete lack of coordination between economic and financial policy. The organisation of the economic and industrial resources of the nation clearly involve the corresponding organisation of our financial resources. And the working out of an economic strategy must, of necessity, include a clear policy as to the ways of financing the war. We can search the Budget and the Chancellor's speeches in vain for any glimmer of a policy. Makeshift budgets, and bad makeshifts at that, will bring ruin to any attempt to work out a coherent and comprehensive plan. The most urgent need is that of tackling this financial problem. The Government's efforts to bring order into our industrial effort in the war may yet be wrecked unless Montague Norman is put in his place !

INCOME TAX EVASION

R S W Pollard

It is strange that Parliament has never given proper consideration to the question of preventing legal and illegal evasion of income tax. When a notorious defect in the law is discovered the position is generally put right by the next Finance Bill, but defects which have existed for many years, in some cases since income tax was first enacted, have not been remedied. The question was considered by the Royal Commission on Income Tax which sat in 1920. They attempted to arrive at some estimate of the amount of revenue lost annually by evasion. Estimates of the annual loss varied from a figure of five to ten million pounds put forward by the Board of Inland Revenue to the figure of one hundred million pounds suggested by one witness. The Commission came to the conclusion that if all their recommendations were adopted some seven or eight million pounds additional revenue per annum would be secured. Since 1920 income tax has been raised to 8'6 in the £ and there is every prospect that it may go higher. There is, therefore, a much greater stimulus to evade the tax and it is therefore even more important that all loopholes should be stopped up so that honest taxpayers are not penalised.

In the first place the Inland Revenue authorities should be given power to ignore for purposes of assessment any fictitious or artificial transaction entered into for the purpose of evading income tax. This policy was found useful under the Excess Profits Duty Acts in the last war, and there seems to be no good reason why it should not be incorporated in income tax law.

RETURN DEFAULT DUTY

The next question to be considered is that of those classes of persons who may be making a substantial profit which should bear income tax, but who, owing to the nature of their occupation, the fluctuating character of their profits or the lack of a fixed place of business, may never be called upon to make a return. Journalists, travelling dealers, book-makers, actors, filmstars, taxi-drivers, speculators, hotel employees, porters and recipients of large incomes living in very modest houses are sometimes mentioned as thus avoiding income tax. The proper assessment of these persons very often depends on the initiative of the local Inspector of Taxes. One proposal, adopted in some foreign States, is that, in the absence of a proper explanation for failure to make a return, there should be an automatic increase in the rate of income tax by say 5% to 10%, to be called 'return default duty'. It must be remembered that failure to make a return, or making returns late, involves the Inland Revenue Department in much additional work and

also causes delay in the charge and collection of the tax. In the case of foreign artistes who come to England, it might be worth while adopting the American method of prohibiting departure from the country until evidence has been produced that all income tax has been paid.

It is often found that items of income are entirely omitted from returns. One of the most serious of these is in connection with bank deposit interest, especially when this is automatically credited to the taxpayer without special notice to him. A return form does contain a special place for the insertion of such interest, but it would be well to make each income taxpayer answer a specific question as to whether he has included this item.

POWERS OF INFORMATION

Another point to be considered is whether the powers of the Commissioners of Inland Revenue to obtain information are adequate. The Royal Commission recommended that additional powers should be given to the authorities, such as enabling them to compel banks to say whether a particular person has an account with them and if so to inspect it. It is interesting to notice at this point that the powers of custom officials are more extensive than those possessed by the income tax authorities. The Inland Revenue use directories, newspapers and trade journals to obtain information about a person's business and probable profits. Bankers are in possession of information which is obviously vital for dealing with illegal evasion. The author of an invaluable book¹ published in 1929 comments as follows on the State's attempts to deal with banks:

Under the British system, savings banks could claim exemption from tax on certain income if they furnished particulars of cases where deposit interest exceeding £5 per annum was paid or credited to depositors, but in 1924 this limit was increased to £15, a retrograde step so far as the prevention of evasion is concerned. An attempt was made in 1915 to compel bankers to deduct Income Tax from all deposit interest, but it was successfully resisted. The number of assessments on persons for 'other interest' increased from 33,141 in 1900-1 to 46,872 in 1906-7, and then, as a consequence of the earned income relief, and the new inducement to declare all sources of income, rose to 102,361 in 1910-11. The amount assessed increased only from £1,876,305 in 1900-1 to £2,351,048 in 1910-11, indicating a sweeping in of fifty or sixty thousand items averaging £5. This suggests possibilities of further revenue, and there does not seem to be any valid reason why banks should not make periodical returns of all amounts of interest credited to clients' accounts, where the amount credited exceeds an agreed minimum.

The position has not changed since 1929.

The suggestion was put forward in evidence before the Royal Commission that accountants should be required to supply an annual list of persons for whom they had prepared accounts during the preceding year. This provision would stop the practice of taxpayers having accounts prepared and then making returns on a reduced basis as if the original amounts never existed.

¹ *Evasion of Taxation* by A. V. Tranter. (Routledge & Sons.)

ARREARS

A class of persons who need dealing with are those who deliberately delay payment of income tax. It is suggested that a system of charging interest on income tax in arrear should be instituted. This would apply not only to those genuinely unable to make immediate payment, but to all cases where payment was not made at the proper time, and should be in addition to all other penalties. It would remove the absurd position whereby a taxpayer may be receiving interest on loans to the Government but paying no interest on income tax in arrear although this tax is virtually a loan from the State. Delay in the payment of income tax is part of the problem of evasion. In some cases where the amount of tax is not disputed a taxpayer will put forward various pleas for non-payment which are very often frivolous. In 1922 arrears of income tax were estimated at £95,000,000. The figure for most years does not generally appear to be as high as this, and may be assumed to be between £20,000,000 and £30,000,000. The Chancellor of the Exchequer sometimes finds these arrears useful for making up his budget, but this does not appear to be a good reason for allowing them to continue. This interest on tax in arrear might be 10% on the amount unpaid for the first six months, 20% for the second six months, 30% for more than twelve months and so on. The institution of such a system of charging interest might have very unexpected results on the revenue, but although Mr Pethick Lawrence put the suggestion forward in the debate on the second Finance Bill 1940, the Chancellor of the Exchequer does not seem to have considered it worth while replying to.

PUBLICITY

The next point to be considered is whether publicity might not do something towards enforcing honesty. America has recently provided for a wide measure of publicity of income tax returns, but the British system, except in the case of Schedule 'A' valuations in London, contains elaborate provisions to prevent any publicity at all. It has been said that publicity as a deterrent was found useful in the case of licence duties by enlisting in the local press the names of persons who have taken out game licences. Those who were curious could discover if their neighbour had paid for a licence. The facilities provided since 1920 for taking income tax proceedings before magistrates have undoubtedly worked as a deterrent by means of publicity, but more requires to be done. Moreover, a mere statement on demand notes that penalties exist is of little value. Penalties should be indicated in large type and it might be useful to add details of penalties actually inflicted in specific cases.

A COMMITTEE OF ENQUIRY

All these and any other proposals for dealing with income tax evasion should be dealt with at once. It will probably be necessary to set up a committee of experts who would be requested to present a report within a specified time, say two months, on the measures to be included in the next Finance Bill. There should be then a public announcement to evaders, that a short period of grace would be allowed in which they could make voluntary confessions of incorrect or false returns or of no returns. It would be made clear that those who responded, and made good the loss of revenue, would be free from any penalty or other punishment. This device was adopted by the German Government in 1913-14, who made a special 'Defence Levy' and announced a general pardon in respect of previous evasion on full disclosure, and at the same time made clear the penalties for failure to non-compliance. Given full publicity, such a scheme might have surprising results.

Finally, we may note that in 1927 the Government set up a special committee to codify the law relating to income tax. This Committee produced a Bill in 1936 which was an admirable piece of work. The Bill tried to put the whole scheme of income tax on a more rational foundation. Some of the proposed amendments would have prevented evasion. It is not known why this Bill was never proceeded with, but the Treasury have been supposed to be consulting various bodies representative of different classes of income taxpayers about it. It may be that it is due to the opposition of some vested interests that it has never become law, but it is important that it should be brought up to date and enacted as soon as possible. It is not suggested, however, that the particular measures here recommended and others which might be found to be necessary by the Committee on income tax evasion should be delayed on account of this Bill. It would, however, be necessary to go through the Bill and extract those provisions which would tighten up the law and prevent evasion.

It is often said by members of the working class that income tax can be easily evaded. Although this statement is often loosely made, and in an exaggerated form, there is still too much truth in it. I would suggest, therefore, that the Labour movement should press the Chancellor of the Exchequer to set up the suggested committee on income tax evasion. Failing his agreement to do this, it should set up its own committee and present its proposals to him, at the same time letting the people know clearly and in simple language what its proposals are for securing that one class of taxpayers do not dodge their share of the existing taxes. It would also be useful to consider the evasion of death duties and stamp duties which undoubtedly takes place. The evasion of indirect taxes is negligible, and the working class after all cannot evade payment of them, so why should the income taxpayer be in a more advantageous position?

ALLOTMENTS AND ALLOTMENT POLICY

By Denis Bell

Since the last war there has been a steady decline in the number of allotments. Addison's Agricultural Land (Utilisation) Act was suspended in the National Government's economy drive, and by 1934 the number of allotments in England and Wales had decreased to 936,000 from the 1930 figure of 965,000 and the acreage had fallen from 146,000 to 134,000 in the same period. Later complete figures are not available, but the following statistics, which are for urban areas in England and Wales only, show the continuance of the decline :

<i>Year</i>			<i>No. of allotments</i>	<i>Acreage</i>
1930	...	...	—	61,000
1932	...	...	614,000	60,500
1933	...	...	623,000	60,900
1934	...	...	623,900	60,700
1935	...	...	611,900	59,700
1936	...	...	606,000	59,250
1937	...	...	592,450	58,400
1938	...	...	—	57,250

In face of this situation, the Government remained alarmingly complacent. Allotments were chiefly valued, during most of this period, as a contribution towards the solution of the unemployment problem and something was done in this direction by making grants available through the Commissioner for the Special Areas, but little was accomplished by the Minister of Agriculture in tackling the broader aspects of the problem.

Probably the chief cause of the decline in these years was the insecurity of tenure to which allotment holders were subject. The uncertainty of Government assistance caused local authorities to turn down allotment development schemes in favour of programmes for building, road construction etc. Thus in the years 1934 and 1935 there were 22,769 allotment holders in urban areas in England and Wales occupying plots on land which ceased to be available for allotments, compared with 16,720 in 1931-32. Housing estates and roads were, of course, necessary, but the Government seemed to lack the imagination necessary for urging on the urban authorities comprehensive schemes of town-planning, which would provide for allotment sites.

The threat of war gave allotments a new importance and the emphasis in discussions on the subject moved from unemployment

to wartime food supplies. The Government, however, still failed to follow an energetic line of policy. Sir Joseph Lamb asked the Minister of Agriculture in May 1938 whether 'in view of the needs both of national defence and social welfare' all vacant land in the L C C area would be brought under cultivation as allotments, with reasonable security of tenure. In reply Mr W. S. Morrison said that

existing legislation does not give power to secure that all vacant land in the London area shall be cultivated as allotments, and I am not satisfied that such a wide power would be justified in present circumstances.

As a result of intervening events the Ministry of Agriculture stirred itself in March 1939 so far as to circularise local authorities urging the provision of additional land for allotment cultivation, but in April Sir R. Dorman-Smith was still refusing to compel local authorities to provide alternative land for allotment sites taken over for housing. The outbreak of war found the Minister appealing for 500,000 new allotments to be under cultivation in 1940.

THE PROVISION OF LAND FOR WARTIME ALLOTMENTS

The Cultivation of Lands (Allotments) Order, September 1939. The wartime allotment drive was heralded by a circular sent from the Ministry of Agriculture to all statutory allotments authorities, urging them to acquire land to meet the new situation. Of more practical importance was the Cultivation of Lands (Allotments) Order, made under the Defence Regulations on 18 September 1939, empowering all borough and urban district councils to take possession of unoccupied land, and also of occupied land, provided that the consent of the owner and occupier could be obtained. In rural areas, similar powers could be exercised by County War Agricultural Executive Committees. The vexed question of security of tenure was dealt with by the Order, which stipulated that no arrangements made under the Order for the cultivation of land as allotments should be terminated, except for a breach of the terms of the arrangement, between 6 April and 29 September in any year, without the consent of the Ministry of Agriculture having been given. This Order is the most important measure which has so far been promulgated dealing with wartime allotments.

Further Developments. Dorman-Smith, however, still showed hesitancy in grappling with the problem. On 2 October 1939, in reply to a question, he stated that he thought sufficient persons would come forward to cultivate as allotments all suitable unoccupied land and that, therefore, it was unnecessary to give local authorities power to cultivate such land directly. (In February 1940 he was forced to admit that the general demand for allotments had been slow.) In July the new Minister for Agriculture, Mr

R. S. Hudson, once more circularised all borough and urban district councils, informing them that the number of allotments under cultivation must be substantially increased. On the 11th of the month he announced that he was providing financial assistance up to £2 per acre, where local authorities use for temporary war allotments land acquired by them for other purposes. Dealing with the problem of urban areas which had a serious shortage of land to meet the needs of would-be allotment holders, Hudson said that the Government would, wherever practicable, encourage the cooperation of the responsible authorities in such areas with corresponding authorities in adjacent rural or semi-rural districts which had land in plenty and to spare.

ADMINISTRATION

The Government had been given considerable assistance in its work by organisations such as the Royal Horticultural Society and the National Allotments Society, which supplied expert guidance to interested persons and authorities. In February it was decided to coordinate the various aspects of the movement, and Dorman-Smith, in consultation with the Ministry of Food, set up the Domestic Food Producers' Council, the chairman of which is Lord Bingley and on which interested organisations are represented. The terms of reference of the Council are as follows :

To advise and assist the Minister of Agriculture on the development in wartime of the production of vegetables and fruit in allotments and private gardens, and of such other forms of food production as may be appropriate to the home ; to organise, where necessary, supplies of seed, fertilisers, stock or equipment ; and to advise as to such measures as may be practicable for the effective use of produce found to be surplus to the producers' home requirements.

War conditions bring forward as allotment holders people with little or no previous experience of gardening. The provision of expert guidance and advice is, therefore, of paramount importance in the organisation of a wartime allotments movement. Very early in the war, the Ministry of Agriculture announced that it would encourage the establishment, in all the larger urban areas, of horticultural committees to meet this need. In June, Mr Tom Williams told the House of Commons of an important scheme which had been organised by the Royal Horticultural Society in conjunction with the Ministry of Agriculture. A panel of several hundred gardeners had been established for lectures, advisory visits and practical demonstrations.

In most matters affecting allotments the initiative still lies, in the majority of cases, with the local authority, and the success or failure of allotments in any area depends very largely on its attitude and energy. The best results seem to be obtained in areas where the Council's Allotments Committee works in harmony and close touch with local representative Allotments Societies.

It is impossible to lay down a precise line of demarcation which should be fixed between the function of the allotment holders' organisations and the local councils. The essential point is to have them working in cooperation and close contact. In the majority of cases this appears to be the case.

MARKETING OF SURPLUS PRODUCE AND DISPOSAL OF REFUSE

The efficient organisation of a wartime allotments scheme must contain provision for facilitating the marketing of produce which is not consumed by the allotment holders themselves. As in peacetime this problem scarcely existed, the bringing of surplus allotment produce into a large-scale planning of the nation's food supplies, such as wartime conditions demand, was a task which presented considerable difficulties. Especially difficult was the position of the numerous unemployed allotment holders, who feared reductions in their benefit if it was discovered that they possessed this additional source of income. On 21 March 1940 Mr Ernest Brown stated that no deductions would be made in unemployed benefit for anything accruing to an unemployed man from his allotments, and that no deduction would be made in U A B allowances on account of produce consumed in the household or of cash sales which were merely occasional. A poster to the effect that unemployed persons would not be penalised by becoming allotment holders was placed in Employment Exchanges. Though this statement cleared up the situation considerably, there was no precise definition of 'occasional cash sales' and this difficulty apparently still exists.

The great legal obstacle in the way of satisfactory marketing arrangements, the fact that retailers in the open market had to possess a trader's licence, was not dealt with until June, when a general licence was issued authorising the sale by retail of produce from gardens and allotments which were not carried on primarily for the purpose of gaining a livelihood. On the 12th of the same month, Mr R. Boothby announced that steps were being taken to organise the local collection of the surplus produce of allotment holders and to arrange for its marketing as far as possible through the ordinary trade channels. Growers were also being encouraged to provide their neighbours with their surplus perishable produce. Local authorities and various voluntary bodies, such as the National Federation of Women's Institutes, the National Council for Social Service, the National Allotments Society and the Rural Community Councils, were being consulted.

If the resources of garden-allotments are to be utilised to the full, the disposal of matter which though unfit for human consumption has uses in other directions, must be efficiently organised. The best method appears to be the rearing of pigs near the allotments, as these animals can live almost solely on waste substances from gardens. Unfortunately, the unpleasant

habits of the pig have resulted in considerable prejudice against it in urban areas. It seems that there is scope for publicity and propaganda directed to remove this prejudice in areas where considerable quantities of potential feeding-stuff for pigs is allowed just to go to waste. Another solution is for suitable matter to be collected by the Council and sold to pig breeders, though it is doubted if the existing market is large enough for this scheme to be universally copied.

Poultry form a more popular solution to the problem, but, in fact, a less satisfactory one, as successful poultry breeding implies the provision of a good deal of other food to supplement that obtained from garden waste. At present such food is difficult to obtain.

SOME SUGGESTIONS

The goal of 500,000 new allotments under cultivation this year which Dorman-Smith stated to be his aim at the beginning of the war is still far from realisation, the present figures being between 200,000 and 300,000, probably nearer the first. It is suggested that an important reason for this failure is the inadequate provision of suitable publicity. The 'Dig for Victory' slogan, it is true, gained national fame, but it was not supported by sufficient concrete advice and guidance as to the methods of securing an allotment and of cultivating one. Increased propaganda is needed in various directions. It is needed, first of all, to stimulate the demand for allotments. The Barking Allotments Committee finds, for instance, that, although when it is advertised that a new group of allotments is available, these are snapped up immediately, there is no great and constant demand that new allotments be provided. The public follows the Council, rather than directing it. A widespread demand from below would also have most salutary effects in giving local authorities greater boldness in their use of their powers to acquire land.

Secondly, greater publicity is needed in pointing out to local authorities and allotment societies the various facilities which the Government has provided. To take one example, the Royal Horticultural Society is certain that a surprisingly large number of such bodies are not aware of its splendid course of lectures. Many unemployed, too, are still distrustful of the effect on their benefit of their becoming allotment holders, and the true situation should be made clear to them. Posters in Employment Exchanges are not enough. Usually, a large number of such posters are placed haphazardly round the walls and half of them are never read.

In urban areas in particular there is need of greater boldness in the taking over of land. The fault does not lie solely with the local authorities; in the past, the Government has shown itself extremely timid in this matter. Large private estates surrounding country and suburban mansions, many of which are unoccupied,

could provide an enormous number of allotments for many a land-starved local authority, and still leave more than enough to spare for the enjoyment of their owner. Sports grounds and golf courses have a stronger case in their favour, but in instances where they are but little used or have surplus land to spare, there is no reason why they should not be cultivated. While it would be foolish to advocate the taking over of playing fields in congested areas, it is to be hoped, in cases where such fields have been rendered useless for the purpose for which they were intended, by precautions designed to prevent their being used as landing grounds for enemy aircraft, that the possibility of their utilisation as allotment sites will not be overlooked.

In towns and cities allotment holders often have to travel considerable distances to reach their plots. In such instances it would appear only just that they should be conveyed free or at a greatly reduced fare. This suggestion also offers possibilities in the direction of cooperation between urban and rural authorities. A few years ago, in his book *The Land, Now and Tomorrow*, Prof. R. G. Stapledon suggested a scheme of weekend allotments in rural areas, to which town dwellers could come, be communally housed and combine a very pleasant day or two in the country with useful and health-giving productive work. The idea is ambitious, but foresight and imagination are needed, and in a modified form it may be found useful in wartime, in cases where urban authorities cannot possibly provide enough land to meet all applications for allotments.

More evidence is needed as to the working of present arrangements for marketing surplus produce. These involve an elaborate network of cooperation between such voluntary bodies as the Women's Institutes, Local Allotment Societies etc. Whether this is working adequately is doubtful, and it is probably desirable that some scheme operated by the local authorities similar to the current salvage scheme should be introduced.

CONCLUSION

The problem of allotments is an epitome of the problem of subordinating private interests to the national need. The land which can be employed for the purpose of wartime allotments is chiefly land which has been privately owned or used for non-essential purposes. The chief weakness of the Chamberlain Government's allotment policy was its reluctance to adapt its conceptions to meet the new situation. It is to be hoped that the new Government will be more successful, that it will take over every inch of land which can advantageously be used for this purpose, that it will see that allotment holders are able to obtain the necessities of gardening, seeds and tools, at a low cost, that they are conveyed to the work at a low charge, and that they are given an assured market and a fair price for such surplus as they may produce.

NOTES ON BOOKS

1

THE ROAD AND RAIL TRANSPORT PROBLEM by Brig.-Gen. Sir H. Osborne Mance (Pitman 7/6)

The most useful up-to-date summary of the history and problem of road and rail transport that has been published. Written just prior to the war it does not touch upon the transport problem that will face the country when peace returns; but it gives all the material necessary for its preliminary study. The author sets out objectively the rise of the problem and the ineffectual attempts made to meet it. He devotes a third of the book to a statement of the position in other countries; he states the problem and the principles which must govern its solution including the national interest. With all he writes thus far not even the most orthodox socialist would disagree, but when the author comes to present his own solution, for reasons which he fails to explain convincingly or even with any conviction on his own part, he turns down nationalisation and favours private monopolies for both road and rail transport sharing a common traffic pool. E. D.

BARBARIANS AND PHILISTINES : DEMOCRACY AND THE PUBLIC SCHOOLS by T. C. Worsley (Hale 10/6)

This book is timely, and being timely should be better. To attack the public schools because they are not democratically governed and produce Tory administrators is an old case, to say they train fascists is unfair. Mr Worsley's analysis is flashy rather than scholarly, bent on seeing one simple flow of historic development. Fortunately his proposals, principally for 'junior universities' for boys over 16, are more interesting and, one feels, based on more thorough knowledge. R. J. P.

2

THE INDUSTRIALISATION OF SOUTH AFRICA by G. C. R. Bosman (G. W. den Boer Rotterdam 1938)

Mr. Bosman sees breakers ahead in South Africa. The abnormal prosperity of gold-mining since 1933 has induced an unbalanced economic development. Farming is neglected while new industries grow up round the minefields. Most of these industries are unstable—skilled wages are too high, the home market is too small, transport expensive, raw materials scarce. When 'gold prosperity' collapses, as Mr. Bosman is sure it will, the whole pack of cards will tumble down. These interesting opinions and much valuable statistical data are vitiated by muddled and ungrammatical writing, and by utter disregard of native interests. South Africa is a 'white man's country' we are told *ad nauseam*, and 'wealth tends to demoralise the native'. R. H.

INDIAN POLITICS SINCE THE MUTINY by C. Y. Chintamani (Allen & Unwin 7/6)

Sir C. Y. Chintamani, almost the complete antithesis of Nehru, in temperament and expression, is the editor of the influential Liberal daily *The Leader*, Allahabad, a former Provincial Minister, and an ex-President of the All-India Liberal Federation. He was a member of the first Round Table Conference. His knowledge of Indian men and affairs is encyclopædic. He is a hard fighter, but nevertheless presents a fairly objective study of Indian political history and personalities during the last 80 years. H. S. L. P.

THE COOPERATIVE MOVEMENT IN BENGAL by J. P. Niyogi
(Macmillan 10/6)

Dr Niyogi has rendered a useful service in compiling this scientific study of economic conditions in rural Bengal. Like other competent students of the problems of widespread Indian poverty, he recognises that 'there is no single panacea for the relief of agricultural indebtedness'. To those who wish to study more deeply a fundamental subject of vast proportions, this book may be strongly recommended. H. S. L. P.

NEHRU : THE RISING STAR OF INDIA by Anup Singh (Allen & Unwin 5/-)

No Indian nationalist is more intellectually gifted than Jawaharlal Nehru. An aristocrat by birth, Nehru has become a socialist by conviction; but Congress India has not yet adopted his economic ideology, though it has accepted his political leadership, under Gandhi, whom Dr Anup Singh expects him to succeed. Nehru is keenly interested in international affairs and is widely travelled. He somewhat unrealistically regards the present struggle, in spite of Mr Laski to the contrary, as a conflict between competing imperialisms. The author is indebted to the *Autobiography* and other Nehru writings for much of his interesting material. H. S. L. P.

ABDUL HAMID by Alma Wittlin (Lane 12/6)

A fascinating description of the Sultan's life and personal background marred by gaps in the information given about the current Turkish situation. J. P.

A LASTING PEACE by Maxwell Garnett, with Chapters on *The Basis of German Co-operation*, by H. F. Koeppler (Allen & Unwin 7/6)

Naturally Maxwell Garnett, having given the best years of his life to running the League of Nations Union, still clings to the League idea with all its virtues and faults. Not a word in this book about whether private capitalism vitiates international cooperation. Not a word about the Soviet Union, though so much about Europe's power politics. Some inaccuracies, e.g. implied that British Government offered to abolish bombing planes in 1933, when actually Lord Londonderry saved them. For Herr Koeppler the Junkers are the only villains in German history, and he does nothing but narrate their villainies. P. L. Y.

HITLER v. GERMANY by Heinrich Hauser (Jarrolds 12/6)

Hauser writes a cross between journalism and serious economic study. He gives a fair, unbiased picture of Nazi achievements; indeed, he accepts certain of their increased output claims, e.g. in agriculture, too unquestioningly. Note as specially topical his account of how already four years ago thousands of new metal workers were trained. Note, too, the problems faced when Austria, with 50 per cent lower wages, was incorporated into Germany; most essential study, that, for anyone advocating Federal Union. P. L. Y.

SHANGHAI AND TIENSIN by F. C. Jones (Oxford University Press 7/6)

An admirable account of the origin and growth of the foreign administered area at Shanghai and Tientsin, especially of the situation with which it has been confronted in consequence of the Sino-Japanese hostilities. The book reads like a first-class year-book about the Far East: a model of how to summarise a complicated history without leaving out essentials and how to state tactfully highly controversial matters without expressing opinions.

Its value is, however, strictly limited, because the studies have special reference to foreign interests only. In the development of these treaty ports, China has been the most important partner, even though dormant. A statement which excludes her interests must be incomplete.

C. L. H.

THE WAR FOR PEACE by Leonard Woolf (Routledge Labour Book Service 2/6)

This book attacks, with force and passion, the 'realist' school of political philosophers who dismiss the ideal of international cooperation as 'Utopian', and find the only true 'reality' in the politics of conflict and power. Mr. Woolf retains a fervent faith in the ultimate possibility of permanent peace through a League system of sorts; though he is sceptical as to the prospects of an effective Federal Union in any foreseeable future. The still small voice of reason and commonsense speaks out from these extremely readable and stimulating pages. R. H.

3

KARL MARX IN HIS EARLIER WRITINGS by H. P. Adams (Allen & Unwin 7/6)

This is much more than a sentimental juvenalia. It is nice to know that as an undergraduate the master was under discipline for making a noise at night and being drunk, but that is in the second chapter. The main part of the book is an extremely interesting account of his emancipation from the cloud cuckoo land of the later Hegelians. What stands out, as in his criticisms of the classical economists, is his immense common sense which stopped him from being carried away from reality by the remoter abstractions of his contemporaries. It is not an easy book to read and suffers from its inevitable compression. But as an introduction to the study of Marx as a philosopher it is to be recommended. J. E. McC.

THE RAPE OF THE MASSES by Serge Chakotin (Routledge Labour Book Service 2/6)

Four-fifths of this book is extremely interesting, as an analysis of the bases of propaganda, particularly propaganda of the Nazi type, and the reasons for its effectiveness. Chakotin derives most of his theories about the instincts of the ordinary human being from the researches of Pavlov, and from them reaches conclusions about the type of appeal which has been made e.g. by Christianity or by Marxism and the reasons for their lack of complete success. His critical and analytic chapters, if a trifle schematic, are full of lessons for the propagandist; but when he comes to draw morals for positive socialist propaganda, he is less illuminating. He tends then to place too much emphasis on the mere machinery of propaganda and too little upon the social conditions in which it flourishes, to treat the triumph of Nazism simply as the triumph of a propagandist weapon and to ignore the positive side of Nazi achievement. The chapter, however, which deals with the anti-Nazi efforts of the Iron Front are extraordinarily interesting, and the book as a whole well worth reading. M. I. C.

THE FIFTH ARM by Wickham Steed (Constable 5/- 162 pp.)

Covers the role of propaganda in the war of 1914-18, German propaganda before and since Hitler, and the present and future problems facing us in the struggle against Nazism.

As a plea for a vigorous and coordinated use of planned propaganda by our Government in this war it fails by its inconclusiveness and lack of any definite constructive proposal beyond a 'Policy Committee'. Its rather grandiose style will prevent it from having any effect whatever on the mass of the people. J. H.

AN OUTLINE OF MAN'S HISTORY by P. G. Walker (N. C. L. C. 2/6)

World History from the first appearance of man to 1939 in 240 pages, with a concluding chapter on 'The Laws and Uses of History' which is a useful restatement of the materialist interpretation with due allowance for the 'human factor' and 'historical accidents'. Combines the function of an adult education text book with that of a healthy corrective to more orthodox works. But its scope and size inevitably involve undue simplification and condensation to the point of monotony. H. D. H.

